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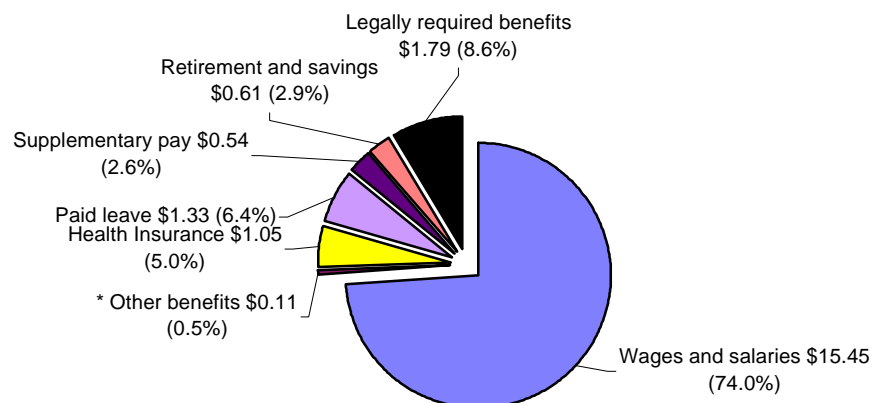
EMPLOYER COSTS FOR EMPLOYEE COMPENSATION WEST REGION - MARCH 2000

In the West, the cost to private industry employers for employee compensation averaged \$20.88 an hour in March 2000 according to the U.S. Department of Labor's Bureau of Labor Statistics. Regional Commissioner Stanley Stephenson noted that compensation costs in the other regions of the country totaled \$22.67 in the Northeast, \$19.22 in the Midwest, and \$17.81 in the South. The national average was \$19.85. (See table 1.)

Wages and salaries accounted for 74.0 percent of the total compensation package in the West, averaging \$15.45. . Within the other regions, average wage costs per hour worked were \$13.09 in the South, \$13.91 in the Midwest, and \$16.37 in the Northeast. Nationally, wages and salaries averaged \$14.49.

Total benefits averaged \$5.43 in the West and made up the remaining 26 percent of all compensation costs. Among the other three regions, the proportion of total compensation costs paid for benefits averaged 27.8 percent in the Northeast, 27.7 in the Midwest, and 26.5 percent in the South. Nationwide, benefit costs accounted for 27.0 percent.

Average Employer Cost per Hour Worked West Region, Private Industry, March 2000



* For this chart Other benefits include the Other benefits from Table 1 plus life, short term disability, and long term disability insurance.

Among the benefit categories, legally required benefits, (e.g., Social Security, Workers' Compensation, and Unemployment Insurance), was the largest non-wage cost to employers averaging \$1.79 per hour worked in the West and representing 8.6 percent of total compensation costs. Social security and workers' compensation costs, at \$1.28 and 37 cents, respectively, accounted for most of the cost of legally required benefits. (See chart 1 and table 1.)

Paid leave averaged \$1.33 per hour in the West and represented 6.4 percent of total compensation. Vacation pay accounted for nearly half of total paid leave, while about a third went for holiday pay.

Insurance, including health, life, short and long term disability averaged \$1.14 per hour worked, followed by retirement and savings payments at 61 cents and supplementary pay (premium pay, shift differential and nonproduction bonuses) at 54 cents.

EXPLANATORY NOTES

Employer costs for employee compensation is a measure of the average cost per hour worked to employers for wages and salaries and benefits. Employer costs for employee compensation cover all occupations in private industry, excluding farms and households. These cost levels are published annually and are based on compensation cost data for the payroll period that includes March 12th as the reference period. The March 2000 levels of employer costs for employee compensation were calculated using March 2000 employment counts from the Bureau of Labor Statistics' Current Employment Statistics (CES) program, benchmarked to the 1999 universe of all private nonfarm establishments.

Wages and salaries are defined as the hourly straight-time wage rate, or for workers not paid on an hourly basis, straight-time earnings divided by corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, shift differentials, non-production bonuses, and lump-sum payments provided in lieu of wage increases. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time wage and salary rates.

Benefits covered are: paid leave -- vacations, holidays, sick leave, and other leave; supplemental pay -- premium pay for work in addition to the regular work schedule (such as overtime, weekends, and holidays), shift differentials, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases; insurance benefits -- life, health, short-term disability, and long-term disability insurance; retirement and savings benefits -- defined benefit and defined contribution plans; legally required benefits -- Social Security (OASDI and Medicare), Federal and state unemployment insurance, and workers' compensation; and other benefits -- severance pay and supplemental unemployment plans.

The Bureau of Labor Statistics is expanding the definition of nonproduction bonuses to better represent the compensation packages offered to employees. In March 2001, the ECEC will include hiring and referral bonuses, in addition to the traditional types of nonproduction bonuses such as attendance bonuses and lump sum payments. Hiring bonuses are payments made by the employer to

induce an individual to accept employment; referral bonuses are made by the employer to the employee for recommending an applicant who is hired by the establishment.

Information on compensation cost trends over time are available in the Bureau of Labor Statistics report on the Employer Cost for Employee Compensation (ECEC), Bulletin 2508 and the Employment Cost Index (ECI), Bulletin 2504. Information on the incidence and detailed provisions of selected employee benefit plans is published in the Employee Benefits Survey (EBS) bulletin for Medium and Large Firms Bulletin 2496. Employee Benefits in Small Private Establishments data appear in Bulletin 2507 and State and Local Governments in Bulletin 2477.

Table 1. PRIVATE INDUSTRY, U.S. AND BY REGION: Employer costs per hour worked for employee compensation, March 2000.

Compensation	National		Region 1/							
			West		Northeast		South		Midwest	
	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent	Cost	Percent
Total compensation.....	\$19.85	100.0%	\$20.88	100.0%	\$22.67	100.0%	\$17.81	100.0%	\$19.22	100.0%
Wage and salaries.....	14.49	73.0	15.45	74.0	16.37	72.2	13.09	73.5	13.91	72.4
Total benefits.....	5.36	27.0	5.43	26.0	6.30	27.8	4.72	26.5	5.32	27.7
Paid leave.....	1.28	6.4	1.33	6.4	1.64	7.2	1.08	6.1	1.19	6.2
Vacations.....	0.63	3.2	0.64	3.1	0.81	3.6	0.54	3.0	0.59	3.1
Holidays.....	0.44	2.2	0.47	2.3	0.55	2.4	0.37	2.1	0.41	2.1
Sick leave.....	0.15	0.8	0.17	0.8	0.20	0.9	0.13	0.7	0.12	0.6
Other leave.....	0.06	0.3	0.05	0.2	0.07	0.3	0.05	0.3	0.06	0.3
Supplementary pay.....	0.60	3.0	0.54	2.6	0.71	3.1	0.53	3.0	0.64	3.3
Premium pay 2/.....	0.24	1.2	0.21	1.0	0.19	0.8	0.22	1.2	0.31	1.6
Shift pay.....	0.05	0.3	0.04	0.2	0.05	0.2	0.04	0.2	0.07	0.4
Nonproduction bonuses.....	0.31	1.6	0.29	1.4	0.46	2.0	0.27	1.5	0.27	1.4
Insurance.....	1.19	6.0	1.14	5.5	1.40	6.2	1.06	6.0	1.23	6.4
Life.....	0.04	0.2	0.04	0.2	0.05	0.2	0.04	0.2	0.05	0.3
Health Insurance.....	1.09	5.5	1.05	5.0	1.27	5.6	0.96	5.4	1.12	5.8
Short-term disability 3/.....	0.04	0.2	0.02	0.1	0.05	0.2	0.03	0.2	0.04	0.2
Long term Disability.....	0.03	0.2	0.03	0.1	0.03	0.1	0.03	0.2	0.02	0.1
Retirement and savings.....	0.59	3.0	0.61	2.9	0.67	3.0	0.51	2.9	0.61	3.2
Defined Benefit Pensions.....	0.23	1.2	0.25	1.2	0.25	1.1	0.18	1.0	0.27	1.4
Defined Contribution pensions.....	0.36	1.8	0.36	1.7	0.42	1.9	0.33	1.9	0.34	1.8
Legally required benefits.....	1.67	8.4	1.79	8.6	1.85	8.2	1.53	8.6	1.60	8.3
Social security 4/.....	1.20	6.0	1.28	6.1	1.32	5.8	1.10	6.2	1.17	6.1
OASDI.....	0.97	4.9	1.02	4.9	1.05	4.6	0.89	5.0	0.94	4.9
Medicare.....	0.24	1.2	0.25	1.2	0.27	1.2	0.22	1.2	0.23	1.2
Federal unemployment.....	0.03	0.2	0.03	0.1	0.03	0.1	0.03	0.2	0.03	0.2
State unemployment.....	0.10	0.5	0.12	0.6	0.16	0.7	0.06	0.3	0.09	0.5
Workers' compensation.....	0.33	1.7	0.37	1.8	0.34	1.5	0.33	1.9	0.31	1.6
Other benefits 5/.....	0.03	0.2	0.02	0.1	0.03	0.1	0.02	0.1	0.04	0.2

1/ The regional coverage is:

Northeast -- Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont;

South -- Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia;

Midwest -- Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin;

West -- Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

2/ Includes premium pay for work in addition to the regular work schedule (such as overtime, weekends, and holidays.)

3/ Short-term disability (previously, sickness and accident insurance) includes all insured, self-insured, and state mandated plans that provide benefits and each disability, includes unfunded plans.

4/ The total employer's cost for Social Security is comprised of an OASDI portion and Medicare portion. OASDI is abbreviated for Old-Age, Survivors, and Disability Insurance.

5/ Includes severance pay and supplemental unemployment benefits.

Note: The sum of individual items may not equal totals due to rounding.